

How Long Has It Been Since Your State Raised Its Gas Tax?

Many state governments are struggling to repair and expand their transportation infrastructure because they are attempting to cover the rising cost of asphalt, machinery, and other construction materials with fixed-rate gasoline taxes that are rarely increased.

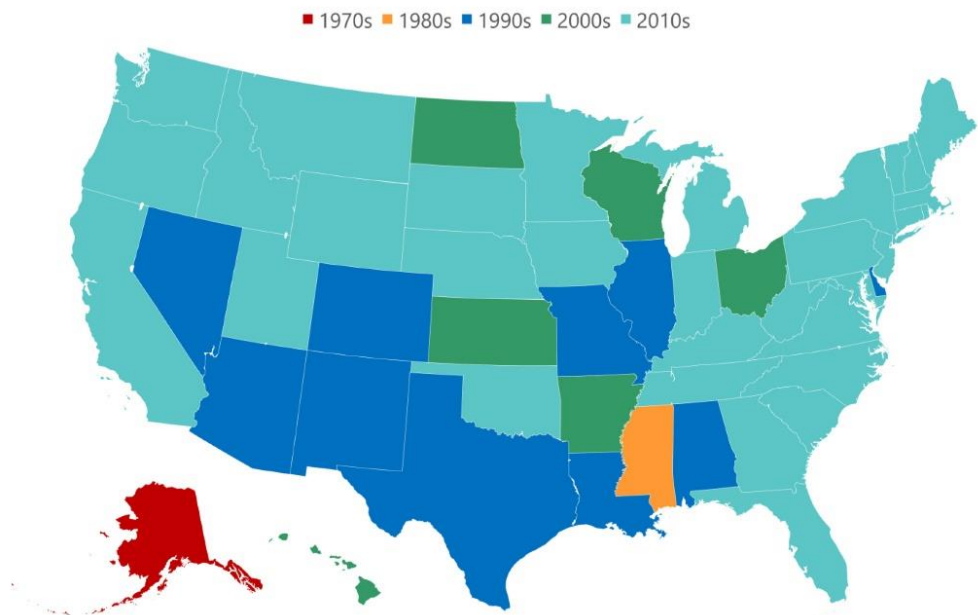
The chart accompanying this brief shows (as of Memorial Day, or May 28, 2018) the number of years that have elapsed since each state's gas tax was last increased.¹ Among the findings of this analysis:

- ◆ Eighteen states have waited a decade or more since last increasing their gas tax rates.
- ◆ Twelve states have gone two decades or more without a gas tax increase.
- ◆ One state has not increased its gas tax since the 1970s (Alaska) and another not since the 1980s (Mississippi).

Gas taxes cannot provide adequate revenue for transportation infrastructure projects unless their tax rates are adjusted to keep pace with rising construction costs, and to offset revenue losses from improvements in vehicle fuel-efficiency. State gas tax rates that have not been updated in many years, or even decades, have seen significant declines in their purchasing power. Those declines are negatively impacting funding of economically vital infrastructure projects.

Fortunately, however, many states have recently made significant progress in updating their gas tax rates. In total, lawmakers in 27 states have raised or reformed their gas taxes since 2013.² This includes states that had resisted doing so for decades such as Iowa, Maryland, Massachusetts, Montana, New Hampshire, New Jersey, Oklahoma, South Carolina, and Tennessee.

When Did Your State Last Raise Its Gas Tax Rate?



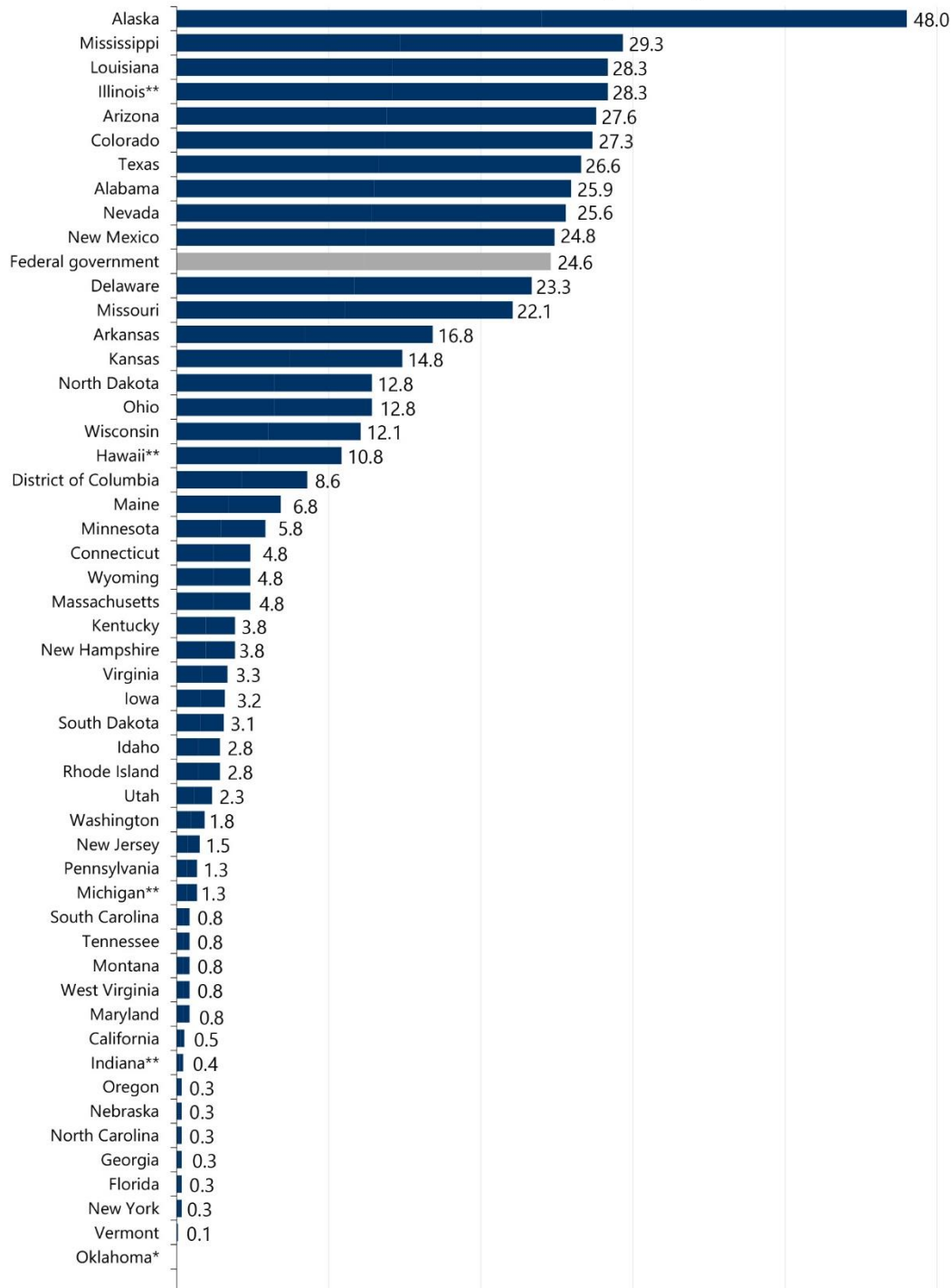
Source: Institute on Taxation and Economic Policy, May 2018. Reflects year in which gasoline tax increase took effect.

¹ With the exception of an Oklahoma increase signed into law this year and scheduled for implementation on June 27, 2018, these figures are based on the date that each gasoline tax increase took effect, rather than the date on which it was signed into law.

² Davis, Carl. "Most States Have Raised Gas Taxes in Recent Years." Just Taxes Blog. May 22, 2018. Available at: <http://itep.org/most-states-have-raised-gas-taxes-in-recent-years>.

Years Since Last Gasoline Tax Increase

As of Memorial Day (May 28, 2018)*



* Oklahoma's gasoline tax rate was increased under legislation enacted in 2018, though the change will not take effect until June 27, 2018.

** Hawaii, Illinois, Indiana, and Michigan apply their general sales taxes to gasoline and thus see ongoing changes in their overall gas tax rates based on changes in the price of gas. This chart excludes these price-based fluctuations in the sales tax and instead looks only at these states' excise taxes on gasoline.

Source: Institute on Taxation and Economic Policy (ITEP)